

FOR IMMEDIATE RELEASE

Sun Pharma reports Q3FY20 results

Q3 Gross Sales at Rs. 8,039 crores

Q3 Net Profit at Rs. 914 crores

Mumbai, February 06, 2020: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the third quarter & nine month ending December 31st, 2019.

Highlights of Q3FY20 consolidated financials

- Sales / Income from operations at Rs. 8,039 crores, a growth of 5% over same quarter last year.
- India sales at Rs. 2,517 crores, growth of 13% over Q3 last year.
- US finished dosage sales at US\$ 350 million, decline of 3% over Q3 last year.
- Emerging Markets sales at US\$ 195 million, down by 4% Q3 last year.
- Rest of World sales at US\$ 155 million, growth of 24% over Q3 last year.
- R&D investments at Rs. 527 crores (6.6% of sales) compared to Rs. 465 crores (6% of sales) for Q3FY19.
- EBITDA at Rs. 1,725 crores, with resulting EBITDA margin of 21.5%.
- Net profit for quarter at Rs. 914 crores, with resulting net profit margin at 11.4%.

Highlights of 9mFY20 consolidated financials

- Sales / Income from operations at Rs. 24,247 crores, growth of 12% over same period last year.
- India sales at Rs. 7,345 crores, up by 18% over 9 months last year.
- US finished dosage sales at US\$ 1,113 million, up by 3% over 9 months last year.
- Emerging Markets sales at US\$ 589 million, flat over 9 months last year.
- Rest of World sales at US\$ 483 million, growth of 42% over 9 months last year.
- EBITDA at Rs. 5,221 crores up by 4% over 9 months last year, with resulting EBITDA margin of 21.5%.
- Net profit for 9mFY20 at Rs. 3,365 crores, with resulting net profit margin at 13.9%. Adjusted for the exceptional item of Rs. 1,214 crores for 9 months last year, net profit growth was 4%.

These results were taken on record by the Board of Directors at a meeting held in Mumbai today.

Dilip Shanghvi, Managing Director of the Company said, "Our branded business in India is doing well and has recorded double-digit growth, for Q3 as well as for the nine month period. For the international business, we continued our efforts to enhance our portfolio in new markets by entering into a licensing agreement with AstraZeneca in China for some of our novel oncology products. Simultaneously, we continue to enhance our global specialty business which is gradually becoming a meaningful growth engine."

Dividend

The Board of Directors have declared an interim dividend of Rs. 3 per equity share of Re. 1 each.

India Business – Market Leadership

Sale of branded formulations in India for Q3FY20 was Rs. 2,517 crores, up by 13% over Q3 last year and accounted for 31% of total consolidated sales. For the 9 month, sales were at 7,345 crores, up by 18% over same period last year.

Sun Pharma is ranked No. 1 and holds approximately 8.2% market share in the over Rs. 140,000 crore Indian pharmaceutical market as per AIOCD AWACS Dec-2019 report. For Q3FY20, the company launched 27 new products in the Indian market.

US Formulations (including Taro)

Sales in the US were US\$ 350 million for the quarter, a decline of 3% over same period last year and accounted for 31% of total consolidated sales. For 9 month sales were US\$ 1,113 million recording a growth of 3% over same period last year. We recently commercialized Cequa in the US and the launch has been received well.

Taro Performance

Taro posted Q3FY20 sales of US\$ 148 million, down 16% over Q3 last year. For the 9 month, sales were US\$ 470 million, down by 4% over 9 month last year. Taro's net profit for Q3 was US\$ 68 million, and for 9mFY20 was US\$ 190 million, down by 15% over 9 month last year.

Emerging Markets

Our sales in emerging markets were at US\$ 195 million for Q3, a decline of 4% over same quarter last year. The decline was primarily led by lower tender business revenues in South Africa. Overall sales in emerging markets accounted for 17% of total consolidated sales for the quarter. For the 9 month, sales were US\$ 589 million, flat over 9 month last year.

Rest of World Markets

Formulation sales in Rest of World (ROW) markets excluding US and Emerging Markets were US\$ 155 million in Q3FY20, a growth of 24% over Q3 last year and accounting for approximately 14% of total consolidated sales. The main growth driver was the consolidation of Pola Pharma (Japan) business. For the 9 month, sales were US\$ 483 million, up by 42% over 9 month last year.

Active Pharmaceutical Ingredients (API): Strategic strength

Our API business imparts benefits of vertical integration for our formulations business. We continue to increase the API supply for captive consumption for key products. For Q3FY20, external sales of API were at Rs. 503 crores, up by 18% over Q3 last year. For the 9 month, API sales were at Rs. 1,432 crores, up by 15% over 9 month last year.

Research – Investing for future

Consolidated R&D investment for Q3FY20 was Rs. 527 crores, or 6.6% of sales as compared to Rs. 465 crores or 6% of sales for Q3 last year. For the 9 month, R&D expense was Rs. 1,437 crores, or 6% of sales.

We have a comprehensive product offering in the US market consisting of approved ANDAs for 481 products while filings for 94 ANDAs await US FDA approval, including 19 tentative approvals. For the quarter, 7 ANDAs were filed and 9 approvals were received. Additionally, the pipeline includes 55 approved NDAs while 4 NDAs await US FDA approval.

Sales and R&D

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
India Formulations	2,516.99	2,514.75	2,235.31	7,345.41	6,246.98	7,348.30
US Formulations	2,492.42	2,389.77	2,605.87	7,829.62	7,547.48	10,671.31
Emerging Market	1,390.14	1,411.69	1,461.76	4,150.40	4,142.51	5,362.45
ROW Formulations	1,103.52	1,137.09	898.05	3,399.74	2,377.35	3,455.39
Total Formulations	7,503.07	7,453.30	7,200.99	22,725.17	20,314.32	26,837.45
Bulk	503.18	468.12	426.11	1,432.48	1,246.55	1,730.29
Others	32.40	27.77	29.61	89.49	81.15	118.54
Total Sales	8,038.65	7,949.19	7,656.71	24,247.14	21,642.02	28,686.28
Total R&D Expenditure	527.13	488.12	464.77	1,437.58	1,417.20	1,984.69
Capital	9.09	8.16	13.23	32.92	39.19	71.82
Revenue	518.04	479.96	451.54	1,404.66	1,378.01	1,912.87
Exchange Rates : \$ 1 = ₹	71.26	70.41	72.04			

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Earnings Call (06.30 pm IST, February 06, 2020)

The Company will host an earnings call at 06.30 pm IST on February 06, 2020, where senior management will discuss the Company's performance and answer questions from participants. This call will be accessible through an audio dial-in and a web-cast.

Audio conference

Participants can dial-in on the numbers below

Primary number: +91 22 6280 1278 / +91 22 7115 8179

Playback of call: +91 22 7194 5757 / +91 22 6663 5757, Conference ID: 74278

Web-cast

More details will be provided through our website, www.sunpharma.com

To participate in the audio call, please dial the numbers provided above five to ten minutes ahead of the scheduled start time. The operator will provide instructions on asking questions before the call. The transcript of the event will be available at www.sunpharma.com. The playback will be available for a few days.

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About Sun Pharmaceutical Industries Ltd. (CIN - L24230GJ1993PLC019050):

Sun Pharma is the world's fourth largest specialty generic pharmaceutical company and India's top pharmaceutical company. A vertically integrated business and a skilled team enables it to deliver high-quality products, trusted by customers and patients in over 100 countries across the world, at affordable prices. Its global presence is supported by manufacturing facilities spread across 6 continents and approved by multiple regulatory agencies, coupled with a multi-cultural workforce comprising over 50 nationalities. Sun Pharma fosters excellence through innovation supported by strong R&D capabilities across multiple R&D centers, with investments of approximately 7% of annual revenues in R&D. For further information, please visit www.sunpharma.com & follow us on Twitter @SunPharma_Live

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